inquire of the Bureau of the Budget what the basis for that $5,000 figure is. Is it simply one picked out of the air, or does it have some basis?

Mr. COLMAN. It is our understanding, Mr. Chairman, that this figure was developed through some special relocation studies conducted by the Department of housing and Urban development and supplied by the HUD staff to the Bureau of the Budget.

Senator MUSKIE. I think we ought to have a piece of paper at least describing the process by which the figure was arrived at.

With respect to section 807(b) in federally assisted programs, urban renewal, highways, and others, the Bureau has suggested that relocation payments be made in accord with the usual cost sharing requirements, half of the worth of the project. They propose this instead of the provision in the act which follows urban renewal practice in providing for the Federal agency to contribute the first $25,000 of the relocation payment, with higher costs being shared in accordance with the formula governing the program.

In the light of what we know about State and local laws and financial capabilities at this time, would this not place obstacles in the way of what we are attempting to accomplish and defer the time when relocation payments would be available under many of the new programs intended to be covered by this act?

Mr. COLMAN. It certaintly will, Mr. Chairman, in our opinion. To go further, this particular point has been one of the most troublesome between the subcommittee on the one hand, and the Budget Bureau on the other, with regard to relocation.

I think we would all agree that if one were starting all over and if there were no relocation provisions now on the statute books, the posture of the Budget Bureau would be the proper one and you should tie the cost-sharing arrangements within ceilings to the project cost formula that happened to govern the particular program—50–50, for example, in the case of primary and secondary roads; 90–10 in the case of interstate highways, and so forth.

But the fact of the matter is that in the housing area, in the urban renewal area, in the model cities area, the Congress on repeated occasions—I guess three or four times now—has broadened and extended the relocation policies in those programs to provide for 100 percent Federal reimbursement up to certain ceilings. So the Commission does not see it as a practical alternative to try to turn the clock back and roll back the formulas with regard to these other programs.

I think if you tried to do that, you would have the whole thing tied up. So on tactical grounds as well as the general problem of fiscal, State and local fiscal capability, we would not favor this approach.

Now, there is another problem. The way the relocation title of S. 698 is drawn, it will become obligatory upon State and local governments to enact legislation to provide machinery for these payments. If a sizable cost sharing were required, we would have a lot of States coming into this room and opposing this legislation on the ground that they just did not have the money to pick up the tab or part of the tab as far as highway displacees are concerned. And again, we would be in a bind as far as moving ahead here with some Government-wide uniformity.

Now, one might say, let bygones be bygones and let these housing people and the urban renewal people enjoy their 100 percent arrange-